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DEVELOPMENT AND PROSPECT OF INDUSTRY IN KOREA

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Today, socialist revolution in our country has won a decisive victory, and our national economy is growing at a rapid pace. Our country has been transformed into a socialist industrial-agricultural country with an independent economic foundation.

Such great results are proof of the correctness of the economic policy of the Workers' Party of Korea and the Government of the Republic and prove the superiority of the people's democratic system established in the northern part of the Republic.

We took over a backward colonial industry from the Japanese imperialists.

Before liberation, our national economy under the Japanese imperialist rule was most backward. Due to the colonial predatory policy of the Japanese imperialists, the development of industry was one-sided and showed lack of balance.

The Japanese imperialists had no intention of building a self-supporting industry in Korea. They plundered rich natural resources of Korea and developed industry only to supply semi-finished goods to Japan.

Therefore, Korea's industry under the Japanese imperialist rule had little to do with the domestic economic

requirements. As for the composition of industry in 1944, the closing year of the Japanese imperialist rule, the machine-building and metal-working industries, the core of heavy industry and the foundation of the technical development, accounted for only 1.6 per cent of the gross industrial output value, while the ore-mining and metallurgical industries were 29 per cent.

Even the machine-building and metal-working factories were of repair shop type.

Therefore, for machine tools and equipment, Korea relied for the most part upon the industry of Japan. Raw materials and semi-finished goods were shipped to Japan from Korea. In 1944, they plundered 90 per cent of the total output of pig iron in Korea.

Furthermore, they did not develop light industry in Korea, for their object was to turn Korea into their market. Especially, textile, food-processing and daily necessaries industries were in a worse condition.

In 1944, the textile industry was only 6 per cent of gross industrial output. The production of footwear, underwear, socks, stationery, medicines, etc. was nothing to speak of.

Heavy industry covered 70.4 per cent in gross industrial output of our country in the same year. However, we must not overlook the fact that light industry was extremely backward and heavy industry was suffering from onesidedness. In addition, our industry was most irrationally distributed and technical equipment outmoded.

The geographical distribution of industry in Korea was characterized by imbalance inherent in the distribution of capitalist industry and subordination of industry to the economy of Japan. In the days of the Japanese imperialist rule almost all Korea's industry was manned by the Japanese technicians. In 1944, out of the total number of technicians working in the major branches, 80 per cent were Japanese while the rest were Korean technicians who mostly worked in the fields of such industries of secondary importance as lumbering, timber-processing, printing and publication.

The Japanese imperialists put every obstacle in the way of the development of the Korean capitalists and eventually drove almost all of them into ruin. Mitsubishi, Mitsui and other Japanese zaibatsu controlled all arteries of industry in Korea. In the closing days of the Japanese imperialist rule, the Korean national capitalists held only 6 per cent of the total industrial investment in Korea.

In 1940 the ratio between industry and agriculture in the national economy was 52.3 to 47.7. In other words, industry and agriculture maintained more or less the same production level.

But as stated above, Korea was in the main a source of raw materials for the Japanese imperialists and remained as a backward agricultural country.

Such being the situation, the livelihood of the Korean working class was in a deplorable state. Workers were forced to work over 12 hours a day, receiving 40-50 jun. Juvenile workers got only 6 jun a day! With such "earnings," the workers' lot was a most miserable one.

Social security was beyond their imagination and no safety measures were taken in their work places. Moreover, the workers were under the constant menace of starvation and unemployment.

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On August 15, 1945, liberation came to the Korean people. The great Soviet army liberated the Korean people from the long exploitation and suppression under the yoke of half a century of the colonial rule of the Japanese imperialists.

After liberation our country was confronted with

the important task of developing rapidly the national economy, the material foundation for building a powerful democratic independent country.

However, many difficulties lay in our path. The industry was backward and one-sided. Moreover, the Japanese imperialists did not leave Korea meekly after surrender. Before the landing of the Soviet army in Korea, the Japanese imperialists deliberately destroyed and burnt down 47 factories and enterprises including four industrial giants. They flooded 64 coal and ore mines, partially flooded or destroyed 173 coal and ore mines. These facts added our difficulties.

However, under the correct guidance of the Workers' Party of Korea, the entire people headed by the working class enjoying active support from the Soviet army rose up as one to rehabilitate the factories and enterprises destroyed by the Japanese imperialists.

Particularly, the Law on Nationalization of Major Industries in North Korea promulgated on August 10, 1946, was of historic significance for the development of our revolution.

Thanks to the Law on Nationalization, 1,034 factories and enterprises, mines, transport and communication facilities, banks and cultural establishments, etc., or more than 90 per cent of the industries, that formerly belonged to the Japanese imperialists and national traitors, came into the possession of the people or the state.

This revolutionary reform was carried out by the people's power under the leadership of the Workers' Party of Korea and the socialist relations of production established in the domain of industry, with the result that in the northern part of our country social and economic structure underwent a radical change. And every favourable possibility was created for the development of the national economy in a unified, planned way.

However, our industry was still faced with many difficulties and obstacles. Not only was it suffering from the colonial onesidedness, and the damage

done by the Japanese imperialists, but also from the division of the country imposed by the U.S. imperialists after liberation.

Our country was divided into north and south: the north with its rich natural resources and many heavy industrial establishments which accounted for 80 per cent of the total heavy industry of all Korea, and the south with its textile industry and grain-producing area. The territorial division barred the balanced development of our national economy.

The toiling masses headed by the working class rose up in the creative labour struggle, upholding the words of Premier Kim Il Sung:

"To cite some examples of the lopsidedness of the industries set up by the Japanese imperialists, there were no factories in Korea which manufactured machinery and accessories, nor were there plants producing locomotives and rolling-stock, and progress had been utterly barred from any consumer goods industries. Our major task of developing our national economy, therefore, is to eliminate the onesidedness of the economy and advance it so that we may enjoy a self-supporting economy which is capable of amply satisfying the country's need with our own home-made products." (Kim Il Sung, Selected Works, Vol. 1, p. 390.)

Already by January 1, 1947, 822 factories and enterprises were restored and put into operation. And this made it possible to put the national economy on a planned basis for the first time in our country. Subsequently a one-year plan for the year of 1947 was adopted.

The 1947 one-year plan for the rehabilitation and development of the national economy was overfulfilled by 2.5 per cent in the domain of industry, showing 54 per cent increase over 1946.

When the D.P.R.K. was founded in September 1948, it provided in its programme for eliminating the onesidedness and dependence in industry left by the Japanese imperialists and making independent progress

as to meet the needs of the national economy. The Government paid special attention to increasing greatly the industrial products by utilizing the rich natural resources, and developing further the iron, steel, machines, machine-accessories, chemical and shipbuilding industries as well as railway and motor transport and light industry. Moreover, it stressed that the national industry should develop on its own feet.

For the development of industry, more funds were invested in heavy industry, particularly in the machine-building industry.

In this way our industry developed at an unprecedentedly rapid pace.

The gross industrial output in 1948 grew 2.2-fold compared with 1946 or 1.4-fold compared with 1947, and the output of major heavy industrial items such as metal alloy, steel ingot, nitro-lime, bricks and tiles and that of light industrial items such as pulp, paper, art paper, cotton and silk fabrics, hosiery, underwear, soy bean sauce, tobacco and cigarettes and bean oil, surpassed by far the production level of the pre-liberation year of 1944.

The year of 1948 witnessed not only the quantitative growth but also a great change in the quality of products. Many new items such as motors, transformers and various farming implements which were non-existent in the pre-liberation days were produced, and machine-building and light industries surpassed as a whole the 1944 production level.

The Workers' Party of Korea and the Government of the Republic, based on the success achieved in the fulfilment of the two one-year plans, worked out the two-year national economic plan (1949-1950).

The target of the gross industrial output for 1949, the first year of the two-year plan, was overfulfilled by 2.8 per cent. New items such as galvanized plate, rolling-stock, copper wire and plate, cast pipe and rolls were turned out and the output of major items such as structural steel and electrolytic lead surpassed the 1944 level.

Our industry developed by leaps and bounds in the peaceful construction period: the gross industrial output in 1949 increased 3.4-fold as against 1946, and the average rate of annual growth during the same period was 50 per cent. Compared with 1946, there was an increase of 1.5 times in power generation, 3 times in fuel, 4 times in ore mining, 3.9 times in smelting, 5.4 times in machine-building and metal-working, 3.1 times in chemical production, 10.6 times in pharmaceutical output, 6.9 times in textile and 2.4 times in food and favorite goods.

As shown in the following table, during this period machine-building and metal-working branches came to hold a considerably large share in heavy industry compared with the time of Japanese rule. In contrast with the rapid development of manufacturing industry, some branches of mining industry which used to supply raw materials showed relative reduction in their share, and light industrial branches, particularly those producing textiles, food and favorite goods, came to occupy considerably large shares.

(in percentages)

	1944	1948	1949
Ore-mining industry	15.7	7.6	8.1
Metallurgical industry	13.3	16	11
Machine-building and metal-working industry	1.6	7.4	8.1
Building-materials industry	2.5	2.5	2.5
Textile industry	6	8.1	11.4
Stationery and sundry goods industry	0.9	1.5	1.6
Food and favorite goods industry	7.8	18.1	19.4

During the peaceful construction period, state-run economic form registered a considerable growth in our industry. Our Government encouraged the initiative of individual enterprises and took various measures to

render the co-operative organizations huge assistance. As a result, the economy of co-operative organizations (producers' co-operatives and fishery co-operatives) was developed. At the end of 1949, the producers' co-operatives (social service co-operatives included) with over 21,500 members and fishery co-operatives with the membership of over 8,900 were organized and began to produce.

Changes in the economic forms in industrial branches during 1946-49 are shown in the following table.

	1946	1949
Socialist economic form	72.4	90.7
Of which:		
State-run economy	72.4	85.5
Co-operative economy	—	5.2
Individual economic form	27.6	9.3
Of which:		
Private capitalist economy	23.2	7.8
Small commodity economy	4.4	1.5

During the peaceful construction period, our national economic plans were successfully carried out under the correct guidance of the Workers' Party of Korea and the Government of the Republic and thanks to the disinterested aid of the Soviet Union. As a result the onesidedness in our industry left by the Japanese imperialists was considerably eliminated, the heavy and light industry enterprises were restored and the living standard of the people rapidly improved.

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In June 1950, the U.S. imperialists and the Syngman Rhee clique launched an armed attack against the northern part of the Republic to destroy the ever strengthening people's democratic system and democra-

tion and to enslave the Korean people by converting our country into a colony.

The war brought to an end the peaceful economic construction in the northern part of the Republic.

From the first day of the war, the U.S. imperialists wantonly destroyed factories, mines and enterprises—the fruit of the Korean people's hard work.

Our industry was put on a wartime footing. The industrial branches concerned with the national defence was strengthened to meet the demands of the front, and at the same time to develop light industry for the security of living of the people.

A number of major enterprises were moved from cities, coastal areas and districts near the front to safer places, industry was decentralized to a certain extent, and many new industrial centres were established.

Even under the severe war-time conditions, the entire people headed by the heroic working class never suspended for a moment their production for the victory in the war.

Upholding the appeal of the Party: "All for the Victory in the War!" they waged a stubborn struggle to strengthen the munitions industry and ensure the stabilized life of the people.

And the industrial output which had been temporarily reduced in 1950-51 due to the evacuation of enterprises or their destruction by the enemy, began to grow from 1952. The industrial output in 1952 increased by 13 per cent, and in 1953 grew 38 per cent compared with 1951. Also ore-mining, machine-building and metal working, pharmaceutic, glass and ceramic, printing and publication, textile, tanning and shoe-making industries, too, registered steady growth. Particularly glass and ceramic industry grew by 9 per cent and the printing and publication industry by 16 per cent in 1952 compared with the pre-war year 1949. Compared with the pre-war year 1949, in 1953, machine-building and metal-working industries grew by 24 per cent, pharma-

ceutic industry by 44 per cent, glass and ceramic industries by 54 per cent, textile industry by 49 per cent and tanning and shoe-making industry by 43 per cent.

The great Fatherland Liberation War ended in victory for the Korean people who fought for justice.

However, due to the three-year long severe war unleashed by the U.S. imperialists great damage was done to all branches of our national economy. The damage reached over 4.2 billion won. The industry, especially heavy industry, suffered most. More than 8,700 buildings of factories and enterprises were destroyed. Among them were the Hwanghai and Kim Chaik Iron Works, Sungjin and Kangsun Steel Works, Nampo and Moonpyung Smelteries, Bookjoong and Rakwon Machine-building Factories, Seunghori and Komoosan Cement Factories, Heungnam Fertilizer Factory, Bongoong Chemical Factory and others.

As a result, the gross industrial output value in 1951 was 47 per cent compared with the pre-war year 1949, 53 per cent in 1952, and 64 per cent in 1953; the production of the means of production in 1951 was 33 per cent, 36 per cent in 1952, and 42 per cent in 1953. No facilities to produce building materials, steel and chemical fertilizers remained intact. Compared with 1949, major industrial output in 1953 was reduced to 26 per cent in electricity, to 11 per cent in fuel, to 26 per cent in paper, to 42 per cent in rubber products and to 24 per cent in fish catch.

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Having won a historical victory in the severe three-year long war, the heroic Korean people were confronted with new tasks.

The Workers' Party of Korea and the Government of the Republic set before the entire people the political, economic tasks of rapidly rehabilitating and developing the war-devastated economy and stabilizing

and improving the deteriorated material and cultural standards of the people in a short space of time so as to further consolidate the revolutionary democratic base in the northern part of the Republic, the material guarantee for the country's peaceful unification and independence.

The 6th Plenum of the Party Central Committee held immediately after the truce set forth a general line with regard to the post-war reconstruction and development of the national economy, that is, to give priority to the development of heavy industry with the simultaneous development of light industry and agriculture liquidating colonial onesidedness, the aftermath of the protracted Japanese colonial rule. Moreover, the post-war reconstruction was not limited only to restoring industry to the original conditions.

The post-war reconstruction was to be carried out by three stages. In the first stage, general preparations were to be made and things were to be put in order for the rehabilitation of the national economy; in the second stage, all branches of the national economy were to regain the prewar level by fulfilling the Three-Year Plan, and in the third stage, a solid foundation for socialist industrialization was to be laid by carrying out the Five-Year Plan.

Upholding the correct economic policy of the Party, the entire working people headed by the working class dedicated themselves to the successful execution of the tasks with a high degree of political enthusiasm, never relaxing in their efforts made in the wartime.

The tasks at the first stage were successfully carried out by the end of 1953. Then the Three-Year Plan (1954-1956) for the post-war reconstruction and development of the national economy was drawn up.

The Three-Year Plan envisaged an increase of 1.5 times over the pre-war year 1949, and of 2.6 times over 1953 in the gross industrial output value, of which the production of the means of production was to grow 1.3

times and consumer goods 2 times compared with that of 1949. And the capital investment was to reach 373,600,000 won.

Attention had been paid to the priority development of heavy industry even in the period of peaceful construction before the war but more stress was laid on these branches in the period of post-war reconstruction and development to lay the foundation of industrialization.

During the Three-Year Plan period, it was foreseen that heavy industry—metal, machine-building, power, chemical, coal, and building materials industries—were to be rapidly developed to a large extent.

The power industry was to meet completely the demand of the national economy for electricity by rehabilitating the main hydropower stations; output of coal was to reach 4 million tons; output of pig iron, rolled metal and coke was to be raised to the pre-war level or higher; machine-building and metal-working industries be expanded 2.5 times over 1949; the Heungnam Fertilizer Factory, Bongoong and Soonchun Chemical Factories were to be rehabilitated to produce per annum more than 150,000 tons of chemical fertilizers; building materials be produced in large quantities to meet the requirment of reconstruction; cement 650,000 tons, an increase of 1.2-fold over 1949; and 722 million pieces of bricks, or 16.3 times compared with 1949.

In light industry a rapid growth was expected in production of daily necessaries. The output of fabrics in 1956 was to grow five times over 1949 and foodstuffs and daily necessaries more than two times at least.

The post-war Three-Year Plan was a vast and difficult one which was to be carried out on the war ruins.

However, the Korean people were provided with favourable conditions in carrying out the vast post-war plan. First of all, they are guided by the Central Committee of the Workers' Party of Korea headed by Premier Kim Il Sung, organizer of every victory of the

Korean people; they are filled with lofty patriotism for building their fatherland into a rich and powerful one by rapidly reconstructing the war-devastated national economy. Their will was steeled through the war and they went through difficulty; they accumulated precious experiences; there were abundant natural resources needed for reconstruction; and the fraternal peoples of the Soviet Union, the Chinese People's Republic and other People's Democracies rendered disinterested aid to them.

Encouraged by the correct guidance of the Workers' Party of Korea and support of the fraternal peoples, the entire Korean people who had won victory over the enemy displayed limitless creative zeal and labour enthusiasm in carrying out the postwar Three-Year Plan for reconstruction and development of the national economy.

When the Korean people started their arduous rehabilitation and construction work, the peoples of the brother countries rendered them selfless assistance.

The Soviet Union, the liberator of the Korean people, made a gift of one billion rubles to rehabilitate, reconstruct or build large-scale factories.

The Chinese people who shed blood in the war with us, sent 8,000 billion yuan (old currency) worth of various kinds of machines, equipment and daily articles without compensation.

Poland, Czechoslovakia, Hungary, Rumania, Bulgaria, the Mongolian People's Republic and the German Democratic Republic made a great contribution to restore or newly construct major factories and coal mines of our country by sending quantities of machines, materials and daily articles.

The Workers' Party of Korea and the Government of the Republic made rational use of the immense assistance given by the brother countries and our resources so as to ensure rapid rehabilitation and construction.

In the Three-Year Plan period a vast sum of 399 million won (49.5 per cent of the total investment in capital construction) was invested in industry, of which 324

capital construction) was invested in industry, of which 324 million won (about 81 per cent) was for heavy industry, and 75 million won (about 19 per cent) for light industry. Consequently, 240 large and medium enterprises destroyed by the war such as the Kim Chaik and Hwanghai Iron Works, Sungjin Steel Works, Soopoong Hydro-power Station, Heungnam Fertilizer Factory, Pyongyang Textile Mill and others were in the main rehabilitated and 80 up-to-date factories including the Hichun Machine-building Factory, Ryongsung Meat-packing Factory, Daisung Brick Yard were built.

With these new factories, many new products were turned out.

Metal-cutting machines, drilling machines, pobedit (a kind of high-grade alloy), air compressors, d.c. generators, gas-generators, high-voltage transformers and lathes were produced for the first time. Then farming implements, hexachlorine and other chemicals, high-grade silks, rubber goods, medicines, musical instruments and canned goods were turned out. The production of coke, alloy, electrolytic copper and lead, motor boats, internal combustion engines, and plate glass, temporarily suspended due to the destruction of factories, was resumed.

The production level envisaged in the Three-Year Plan was attained within 2 years and 1 month, while the output value was reached within 2 years and 8 months. Gross industrial output value in 1956 doubled that of 1949, surpassed 6 times the level of 1946, 2.9-fold that of 1953. During this period the production of the means of production increased 4 times, and 1.7 times compared with the prewar year 1949. Production of consumer goods grew 2.1-fold, surpassing the prewar level 2.1-fold.

During the Three-Year Plan period, the gross industrial output value increased annually by 42 per cent on an average; of which the means of production by 59 per cent, consumer goods by 28 per cent.

The year of 1956 saw a sharp rise in the industrial

level compared with the prewar standard: ore mining 1.4-fold, metallurgical industry 1.5-fold, machine-building and metal-working 4-fold, medicines 2.7-fold, building materials 3.6-fold, textile 3-fold, foodstuffs and favorite goods 1.3-fold. Only electric power, fuel and chemical industries which had suffered more heavily during the war failed to regain the prewar level.

Output of various industrial goods attained a new high. The following table will show the growth of production by the state and co-operative industrial enterprises.

	1949 compared with 1946	1956 compared with 1946
Electricity	1.5-fold	1.3-fold
Coal	3.2 ,,	3.1 ,,
Pig iron	54 ,,	61 ,,
Steel	29 ,,	38 ,,
Structural steel	11 ,,	13 ,,
Fertilizers	2.6 ,,	1.3 ,,
Carbide	3.2 ,,	2.3 ,,
Cement	5.2 ,,	5.8 ,,
Bricks	10 ,,	157 ,,
Timber	3 ,,	4.8 ,,
Lumber	1.8 ,,	3.5 ,,
Papers	4.2 ,,	6.4 ,,
Cotton and staple fibre	5.8 ,,	45 ,,
Socks	3.5 ,,	5.3 ,,
Rubber footwear	18 ,,	32 ,,
Fish haul	....	1.3 ,,
Bean oil	5.7 ,,	6.8 ,,

Mention should be made of the fact that during the Three-Year Plan period, many inventions and suggestions were put forward by the workers for technical advancement and rationalization of work processes in industry, which aided considerably industrial expansion. The following table will show how the number of such inventions increased.

	1954	1955	1956
The number of persons who made inventions and suggestions	2,663	6,121	9,108
The number of inventions and suggestions	3,139	8,873	15,716
The number of such inventions and suggestions adopted in production	2,225	5,665	9,100

Moreover, during this period some 19,000 technicians and engineers were trained at home and abroad, while more than 32,000 workers became skilled workers through the trade and factory schools.

Then the factories and mines throughout the country improved considerably their technical equipment and work methods.

Thus, the faithful execution of the Party economic policy—priority development of heavy industry with the simultaneous growth of light industry and agriculture— brought new changes in the ratio of the production of the means of production and consumer goods as follows:

	1946	1949	1953	1955	1956
Total industrial output	100	100	100	100	100
Group A	52.1	58.6	37.7	51.7	53.9
Group B	47.9	41.4	62.3	48.3	46.1

The production of the means of production which went down sharply during the war gradually regained its former position during this period. Particularly, the composition of industry which was based on the outdated Japanese technique improved and irrational geographical distribution of industry was eliminated to a great extent. Colonial onesidedness characteristic of our industry was markedly corrected. Machine-building, besides textile and other light industrial branches, saw rapid development. Machines, tools and machine parts needed by the national economy were produced in quantities.

It must be also pointed out that, during this period, the socialist sector occupied the predominant position in industry, which will be seen more clearly in the following table:

	1953	1956
Total industry	100	100
Socialist sector	96.1	98.0
Of which:		
State owned economy	86.2	89.9
Co-operative economy	9.9	8.1
Small commodity economy	1.0	0.7
Capitalist economy	2.9	1.3

The rapid rise in industrial output, particularly in light industry, improved radically the deteriorated people's living. Moreover, the price cuts and wage increase effected during this period boosted the national income in 1956, 2.1-fold over 1953, 1.5- and 3-fold over 1949 and 1946 respectively.

During the Three-Year Plan period, the people's living was restored to the prewar level and industry made rapid progress, laying the foundation for industrialization. Indeed such achievements the Korean people attained during this period were another eloquent testimony to the correctness of the economic policy pursued by the Party and Government headed by Comrade Kim Il Sung, and the wholehearted support of the people to this policy.

However, Choi Chang Ik, and Pak Chang Ok—the anti-Party and anti-revolutionary sectarians—and their followers attempted to undermine the Party economic policy. But their foolhardiness was shattered before the brilliant achievements attained during the Three-Year Plan period.

5

On the strength of the successful conclusion of the post-war Three-Year Plan, our nation has embarked on the Five-Year Plan in 1957.

The Third Congress of the Workers' Party of Korea held in April, 1956, summarising the successful execution of the Three-Year Plan, laid down the basic directions for the development of the national economy in the First Five-Year Plan, the third stage in the post-war national economic development.

The First Five-Year Plan presented by the Party was put to the people's general discussion and in June 1958, the Third Session of the Second Supreme People's Assembly adopted the Law on Five-Year Plan.

The First Five-Year Plan aims at consolidating the socialist economic foundation in the northern part of the Republic and at solving basically the question of food, clothing and housing for the people. In the field of industry, heavy industry will still enjoy priority but with emphasis on those branches that have immediate bearings on the people's life. And light industry will see a big advance.

It is expected during the First Five-Year Plan, the gross industrial output will rise over 2.6 times. In 1961 alone—the last year of the plan—industrial production value will surpass the total output during the Three-Year Plan period. It equals the output value of the eight years from 1946 to 1953 put together. Under the plan the annual increase of gross industrial output will be 22 per cent. Then our industry will grow in 1961 5 times over 1949, 16 times over the 1946 level and 6 times over the days of Japanese rule. Moreover, priority development of heavy industry will be maintained, the production of the means of production will attain 61.3 per cent in heavy industry, an increase of 2.9-fold. Production of consumer goods will grow 2.2-fold.

The First Five-Year Plan foresees expansion of fuel and power industry in the field of heavy industry, while the emphasis will be on ferrous metal, machine-building, chemical, and building materials industries. The following goals are envisaged: metallurgical industry 2.6-fold, machine-building and metal-working 2.7-fold, chemical industry 3.6-fold, building materials 2.6-fold, timber and lumber 1.5-fold, electricity 1.8-fold and fuel 2.5-fold.

Textile industry and the production of foodstuffs and daily necessities will make marked progress. During this period the textile industry will grow 2.8-fold, the foodstuffs industry 3.9-fold, household items and goods for cultural use 4.1-fold, leather goods and shoes 2.2-fold, rubber products 2-fold and marine products 2.2-fold.

Such rapid industrial development will increase sharply per capita industrial output. By 1961 the industrial output will reach such level in per capita output: 970 kwh in electricity, 1,000 kg in coal, 90 kg in pig and granulated iron, 68 kg in steel, 64 kg in chemical fertilizers, 200 kg in cement, 20 metres and over in fabrics and 65 kg in fish catch.

However, many obstacles and difficulties had to be combatted in carrying out the First Five-Year Plan.

Unlike the post-war Three-Year Plan, the First Five-Year Plan was drawn up to be executed with our own natural resources and the utilization of all the internal potentialities. Consequently, it was expected that the year of 1957—the first year under the plan—would face a strained situation in terms of materials and foreign currency.

However, the Party Central Committee Plenum held in December 1956, called upon the working class of the country to maximum increase of production and economization. Most enthusiastically, the entire workers responded to the Party's call, which resulted in successful completion of the huge 1957 programme.

In 1957 gross industrial output value of state and co-operative industrial enterprises surpassed its goal by

17 per cent, an increase of 44 per cent over 1956. In one year of 1957, more industrial goods were turned out than in the four years from 1946 to 1949.

Moreover, in 1957, electric, fuel and chemical industries, which had not been restored to the prewar level during the Three-Year Plan period, made an increase of 16 per cent, 3 per cent and 57 per cent respectively, thus surpassing the prewar level. By the end of 1957, every branch of the national economy surpassed its prewar standard.

The results attained in 1958 were more heart-warming.

In 1958 state and co-operative industry overfulfilled by 17 per cent its plan in output value, which was an increase of 19 per cent over the 1957 plan, or 40 per cent over 1957.

The total industrial output in 1958 was 1.5 times more than that of the entire peaceful construction period (1946-1949), 2 times more than 1956—the last year of the Three Year Plan, 4 times than 1949 and 4.3 times than 1944, the peak year under Japanese rule.

In the short course of 13 years (1946-1958) after the country's liberation, our industry grew 12 times, particularly the industry under state and co-operative management grew 17 times. Moreover, it maintained the tempo of annual increase at 42 per cent on an average from 1953. Particularly, the production of the means of production and consumer goods grew at the tempo of 52 and 34 per cent respectively every year.

Compared with 1946, in 1958 industry made a big stride: metallurgical industry 10 times, machine-building and metal-working industry 41 times, electricity 2 times, coal 5.4 times, pig iron 105 times, steel 72 times, structural steel 25 times, building materials 72 times, pumps 132 times, bricks 163 times, timber 5.6 times, lumber 4.3 times, cement 12 times, glassware and ceramics 3 times, textile 38 times, fabrics 41 times, socks 8.5 times, and paper 8-fold, stationery and sundry goods 92 times, leather goods and shoes 107 times, rubber goods 64 times, marine products 14 times, fats and oils 13 times, medicine 92 times, printing and publication 17 times.

If one takes into consideration the severe war destruction wrought by the U.S. imperialists, and the time needed for the reconstruction, such development was attained only in a short course of four or five years.

In drawing up the Five-Year Plan, the Workers' Party of Korea put emphasis on capital construction, particularly in metal, machine-building, electric power, coal, chemical, building materials industries. The amount of investment earmarked for heavy industry covered as much as 83 per cent of the total amount of investment for capital construction.

Under the Party's correct economic policy, we have built strong machine-building, metal-working, electric, and chemical industry bases. And in the sphere of light industry, textiles, foodstuffs and daily necessaries industries have made remarkable advance. Thus powerful light industry bases were built. Moreover, the colonial one-sidedness which existed in our industry as an aftermath of Japanese domination of Korea was eliminated and every branch is equipped with new technique. Korea has been developed into a self-supporting industrial-agricultural country.

In 1958, the machine-building industry accounted for 16.6 per cent of the total industrial output, whereas under the Japanese rule it held only 1.6 per cent. Hichun Machine-building Factory, Hichun Precision Instruments Factory, Koosung Mining-machine Factory, Woonsan Tool Factory along with Bookjoong and Rakwon Machine-building Factories and Dukchun Automobile Factory, Kiyang, Farm Machine Factory and Daian Electric Appliances Factory are some of the main up-to-date factories that came into being in the postwar days. In 1958, the output of the machine-building industry grew 41 times over 1946, 2 times over 1956. Indeed remarkable progress was noted in the machine-building industry which came to produce all the

machinery and equipment needed in the development of the national economy. During the year some 1,450 metal-cutting machines, 17,000 electric motors, 8,000 converters, 343 generators besides great quantities of machines and equipment were produced. Soopoong and Jangjinkang Hydropower Stations were fully restored along with many other hydropower plants, and generated 7,630 million kwh of electricity, while the coal production reached 6,882,000 tons. Many coal mines were expanded and high-speed drilling and hydraulic mining were widely introduced.

In the field of metal-working, blast furnace No. 1, a coke oven and an open hearth of the Hwanghai Iron Works were restored along with blast furnace No. 2 of the Kim Chaik Iron Works, and other furnaces. During the year of 1958, 320,000 tons of pig iron, 73,000 tons of granulated iron, 365,000 tons of steel, and 255,000 tons of structural steel were turned out.

Particularly, at the Hwanghai Iron Works ferro-coke was introduced for the first time in smelting, which reduced cubature co-efficient of the blast furnace to 0.56 per cent. Kangsun Steel Works plans to turn out one million tons of steel by electric furnaces. By this method steel has been turned out since the early part of this year.

Chemical and building-materials industries sent 457,000 tons of fertilizer and great quantities of chemicals to the countryside. Some 1,244,000 tons of cement, 3,268,000 square metres of plate glass were produced to meet the need of the vast construction programme.

Textile industry was one of the most backward industries in Korea under Japanese rule. However, it made remarkable progress during this period. In 1944, the closing year of Japanese rule in Korea, in the northern part of Korea, only 1,400,000 metres of fabrics were produced, that is, barely 0.1 metre per head of the population. But in the pre-war years, the production reached 13 million metres, and in 1958 it extended to 110 million metres, 80 times compared with the Japanese rule

and 9 times compared with the pre-war years. Modern textile mills are to be found in Pyongyang, Koosung, Nyungbyun, Chungjin and Shinuijoo.

Our foodstuffs and daily necessaries industries too are progressing steadily.

The June (1958) Plenum of the C.C. of the Workers' Party of Korea called upon the entire people to stage a nation-wide drive to raise the production of foodstuffs and items of daily use and to have effective commodity circulation in order to raise the living standards of the people. Responding to the call of the Party, 1,060 new factories run by cities or counties were set up in the second half of 1958, which means an average of six such factories in every city or county. Already nearly 1,000 factories started operation and it is expected that during the year of 1959, the production will reach more than one billion won, which is twice that of the factories under the Ministry of Light Industry in 1958.

The letter to the entire Party members sent by the September (1958) Plenum of the C.C. of the Workers' Party of Korea was a great inspiration to the entire working people. Casting off conservatism and passivism the workers thought and worked boldly. They raised the utility rate of the existing industrial equipment and explored fully every potentiality. The mystery about the existing normal capacity along with conservatism and passivism was shattered, and the productivity of labour doubled or tripled. The creative zeal of the workers made it possible to complete within one or two months city construction work or building railroad which would have taken 3 or 4 years in the days of Japanese rule.

In the course of discussing the Party Central Committee's letter, some 58,000 new ideas and suggestions were presented, more than 37,000 inventions and technical reforms were made, out of which some 23,000 were introduced into production.

Particularly, in the field of machine-building industry, mystery about machine and technology was shattered and such products as trucks, bulldozers, excava-

tors, tractors were made for the first time in our country. Then also hydraulic generators with a capacity of 4,000 kw, milling machines, radial boring machines, diesel engines, Korean typewriters, automatic-threshers, wheat seeders, motorcycles and many other machines were turned out. The production of timber and lumber, stationery and sundry goods surpassed the targets set for the year 1961, the last year of the First Five-Year Plan. Also alloy metal, electrolytic zinc, ammonium sulphate, carbide, fire-proof bricks, plate glass, timber, lumber, tobacco, etc. surpassed the 1961 goals.

The following table will show the growth of major industrial goods and the state and co-operative industrial branches.

1. Major industrial goods in 1958

(In percentages)

	Compared with 1949	Compared with 1956	Compared with 1957
Electricity	129	149	110
Coal	172	176	138
Iron ore	228	229	147
Pyrites	—	272	132
Pig iron	193	171	119
Alloy metals	125	173	140
Steel	253	192	132
Structural steel	220	192	125
Blister copper	209	189	134
Lead ore	408	126	110
Electrolytic zinc	235	—	378
Electric motors	2,591	196	140
Converters	475	141	115
Copper wire	582	146	118
Iron wire	1,864	308	209
Chemical fertilizers	114	234	141
Bleach	423	174	145
Carbide	110	152	105
Cement	232	208	139

Plate glass	—	167	127
Timber	187	117	108
Lumber	248	125	107
Pulp	228	196	135
Paper	201	131	108
Fabrics	856	143	121
Socks	245	161	151
Footwear	369	122	116
Marine products	137	115	109
Salt	156	280	142
Vegetable oil	156	141	126
Soy sauce	229	147	109

2. Growth of major industries in 1958

(In percentages)

	Compared with 1949	Compared with 1956	Compared with 1957
Electricity	128	149	111
Fuel	139	174	135
Metallurgy	255	174	123
Machine-building and metal working	767	193	140
Chemical	226	243	143
Medical supplies	866	317	209
Building materials	825	231	169
Plate glass and ceramics	1,719	303	166
Printing and publication	807	248	186
Textiles	560	185	131
Stationery and sundry goods	1,499	419	180
Leather goods and shoes	525	166	151
Rubber goods	219	193	141
Marine products	183	198	141
Foodstuffs and favorite goods	346	273	139

Such unprecedented rapid growth of industry enabled our country to catch up with advanced countries in per capita industrial output. In 1958, our country was ahead of Japan, the most advanced capitalist country in

Silk fabrics	162
Soy sauce	138
Soy paste	111

Judging from these figures, it is expected that the First Five-Year Plan will be completed in the industrial field by the 14th anniversary of liberation of Korea —August 15, 1959—a great holiday for the Korean people.

On the occasion of the tenth anniversary of the founding of the Republic, Premier Kim Il Sung set forth the great militant programme, which we should fulfil within the next 6 or 7 years in the field of industry. The programme was for laying a highly-developed socialist material and technical foundation under the circumstances in which the socialist reformation was completed in towns and the countryside of our country.

Within the next 6 or 7 years we should reach the following goals in the major industrial production: 2.6 times in electricity, 3.6 times in coal, 9 times in pig iron and granulated iron, 8-9 times in steel, 3.3-4.3 times in chemical fertilizer, 4 times in cement, 4.6 times in fabrics, and approximately 2 times in grain output, and 100,000 tons in sugar and one million tons in fish catch. In terms of per capita output electricity is 2,000 kwh, coal 2,500 kg, pig and granulated iron 400 kg, steel 300 to 350 kg, cement 500 kg, chemical fertilizers 150 to 200 kg and fabrics 50 metres.

"When this task is accomplished," said Premier Kim Il Sung at the National Congress of Agricultural Co-operatives, "we will have built the socialist society which our people have longed for and will be standing on a high hill commanding a view, on the horizon, of a communist society, the ideal of mankind."

This programmatic task impressed boundlessly the entire working people and gave them confidence of ultimate victory in the cause of socialism and communism.

Our industry will develop at a yet more rapid tempo and on a broad scale and the foundation of socialist industrialization will be further strengthened with modern technique in all spheres of the national economy.

Dokrokang Hydropower Station, Kangge Hydropower Station and Woonbon Hydropower Station will be completed to meet fully the increasing requirement of the national economy. Within one or two years electrification will be completed in the countryside. And coal industry will be able to satisfy fully the need of the growing industry, transport and the people. Thus fuel-power centers will be reinforced further.

In the field of ferrous-metal industry we will rehabilitate, construct or expand blast furnaces, electric furnaces, open-hearth furnaces of the Kangsun and Sungjin Steel Works and Hwanghai Iron Works in order to turn out more structural steel needed in the rapidly developing machine-building industry and the increasing capital construction. Then the machine-building industry will produce in quantities metal-cutting and other machines, and equipment and accessories required for all spheres of the national economy. Among them are advanced farming implements, automobiles and tractors and various types of fishing boats. In addition, large quantities of radios, watches and bicycles will come out.

Chemical and building materials industries will produce chemical fertilizers and insecticides, as well as more artificial fibre including vinalon, cement and medical supplies.

Textile, foodstuffs and daily necessaries industries will develop more rapidly in the period of the First Five-Year Plan. The question of clothing for the people will be settled. Big changes will take place in the production of foodstuffs and items of daily use.

More extensive pelagic and deep-sea fishing will be employed besides fish breeding in salt and fresh waters and sea weed growing so that a greater amount of fresh or frozen fish will reach every kitchen.

Looking forward to a bright future the entire working people of the northern part of the Republic are marching forward at a dazzling speed to bring about a big

about a big new leap. They are energetically striving to increase production and improve the quality of products up to the level of advanced countries.

Encouraged by the Letter of the September Plenum (1958) of the C.C. of the Workers' Party of Korea, the entire working people are determined to fulfil this programmatic task within the next 4 or 5 years, not in 6 or 7 years.

While the northern part of the Republic has turned into a rich and prosperous socialist industrial-agricultural state, the southern part is a land of darkness and its national industry has been reduced to complete bankruptcy.

Since their occupation of South Korea in place of the Japanese imperialists, the U.S. imperialists, seizing the arteries of all industries in South Korea, are pursuing a naked colonial, plundering policy. As a result, the meagre industry of South Korea which had existed at the time of Japanese domination has further deteriorated and its colonial onesidedness and dependence became further accentuated.

To convert South Korea into a market for their surplus goods, the U.S. imperialists brought about the all-round destruction of industrial and agricultural production in South Korea. Only those branches producing munitions and raw materials necessary for their war preparation and for their military, police and colonial rule were maintained.

Industrial composition in South Korea

(in percentages)

	1948	1953	1956
Metal	4	1	2
Machine	6	1	4
Chemical	28	11	13
Fibre	41	26	41
Ceramics	3	8	12
Foodstuff	13	32	28
Miscellaneous	5	21	—
Total	100	100	100

(From the South Korean *Economic Year Book* for 1957)

As shown above, nearly 70 per cent of South Korean industry is accounted for by textile and foodstuff industries, whereas only 6 per cent comes under metal and machine-building industries, revealing the colonial policy of the U.S. imperialists.

There is hardly any production of the means of production to speak of and the main industrial products are nails, electric bulbs, electric wire and sockets, besides a few limited number of accessories and tools.

In the field of ferrous-metal industry, the "Samhwa Iron Works," the only one of its kind in South Korea, has been closed down, and other metal-working factories are only producing wire and nails.

Textile industry has been the most important one in South Korea under Japanese domination. During those days, South Korea turned out 85 per cent of the textile goods throughout the country. But, today it fell prey to the U.S. imperialists.

South Korean textile industry is depending on the U.S. raw cotton, one of its stockpile goods, for more than 95 per cent of its raw material.

Then the U.S. imperialists are ransacking the rich natural resources of South Korea such as gold, silver, copper, zinc, tungsten, graphite, talc, fluorspar, manganese, magnesite and other war materials. In 1956 minerals and raw materials covered 80 per cent of the total export of South Korea.

Most of the South Korean industrial enterprises are small-scale ones with obsolete equipment. In 1955, industrial enterprises with less than 50 employees accounted for 92.1 per cent, and those with less than 100 employees for 97.2 per cent of the total. But between the August 15 liberation (1945) and 1957, some 4,000 medium and small scale enterprises were closed down and the remaining ones went headlong into

due to a shortage of funds caused by the decline of the people's purchasing power or by the flooding of U.S. surplus goods.

According to the investigation made by the "Taihan Chamber of Commerce and Industry," in the first half of 1958, 64.6 per cent of enterprises in 27 major branches of South Korean industry suspended or reduced operation and the figure went up to 75 per cent by November of the same year.

The following table will show the industrial output in South Korea in comparison with North Korea.

Per-Capita Output in 1957

	Unit	North Korea	South Korea
Electricity	kwh	764	60
Coal	kg	551	110
Steel	kg	31	—
Pig iron	kg	30	—
Structural steel	kg	23	—
Chemical fertilizer	kg	36	—
Cement	kg	99	4
Cotton fabrics	m	10	6
Footwear	pairs	2.1	1.7
Fish catch	kg	65	18

To divert world opinion and deceive the Korean people, the American imperialists are blabbing about the "plan for rehabilitation of South Korea" or "aid," but it is known to all that their so-called aid is nothing but a weapon with which to plunder further South Korean industry. With the bankruptcy of South Korean industry the living of the people has deteriorated. More than 4,200,000 unemployed and semi-employed and more than 3,000,000 foodless peasants are groaning on the verge of starvation.

In view of the serious situation and proceeding from compatriotic love to relieve the South Korean compatriots from poverty and starvation, the Workers' Party

of Korea and the Government of the Republic proposed time and again to offer electricity, coal, timber and chemical fertilizer for our compatriots in South Korea. And on the occasion of the 10th anniversary of the founding of the D.P.R.K., the Government of our Republic offered to make a gift of 150,000 suk of rice, 5,000,000 metres of fabrics, 4,000,000 pairs of footwear and 10,000 tons of fish for the unemployed and the vagrant orphans. Then our Government also proposed to take over and bring up the war orphans roaming about the streets; and to send regular stipends to the students of South Korea. However, the U.S. imperialists and the Syngman Rhee clique have turned a deaf ear to our sincere proposals.

Particularly, entering this year, the traitorous Syngman Rhee clique are scheming, under the cloak of "overpopulation" or "measure for dealing with unemployment," to sell off the unemployed, the civilians whom they had taken away during the war from the north and the demobilized soldiers of the ROK army for slaves to Brazil, Paraguay and other Latin American countries.

The Government of the Republic, denouncing such traitorous scheme the Syngman Rhee clique worked out with the connivance of the U.S. imperialists, strongly demanded that every victim of their evil designs be turned over to the northern part of the Republic. Moreover, the Presidium of the Supreme People's Assembly of the D.P.R.K. issued a decree on ensuring the rights of the citizens of the D.P.R.K. and stabilized life to those coming over to the north to escape from the miserable life in South Korea.

Today, all the sufferings and misfortune of the South Korean people are caused by the 13 long years' fascist rule of the Syngman Rhee clique under the aegis of the U.S. imperialists who are occupying South Korea.

The South Korean people do not want to live such a hellish life and, stimulated by the brilliant successes in socialist construction in the north, are waging a more fierce national salvation struggle.

The brilliant successes in the socialist industrialization in the north scored by the entire working people headed by the working class constitutes the material basis for achieving the peaceful unification of the country and relieving the South Korean people from the cruel fascist rule of the U.S. imperialists and the Syngman Rhee clique. Today, the entire working people in North Korea, rallied more firmly around the Workers' Party of Korea and the Government of the Republic, are vigorously marching ahead to achieve the peaceful unification of the country and build socialism, scoring brilliant victories.

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